

MINUTES OF THE JOINT EXECUTIVE APPROPRIATIONS COMMITTEE

April 20, 2004 at 1:00 P. M.

Room 303, State Capitol Building

Members Present: Sen. Leonard Blackham, Committee Co-Chair
Rep. Ron Bigelow, Committee Co-Chair
Sen. Ron Allen
Sen. Gene Davis
Sen. Mike Dmitrich
Sen. Karen Hale
Sen. Peter Knudson
Pres. Al Mansell
Sen. Michael Waddoups
Sen. John Valentine
Rep. Jeff Alexander
Rep. Greg Curtis
Rep. Brent Goodfellow
Rep. Patricia Jones
Rep. Brad King
Rep. Karen Morgan
Rep. Michael Styler
Sen. Bill Hickman, Vice-Chair

Members Absent: Rep. Rebecca Lockhart, Vice Chair

Members Excused: Speaker Martin Stephens

Staff Present: John Massey, Legislative Fiscal Analyst
Michael Kjar, Deputy Director, Fiscal
Linda Hansen, Secretary

Others Present:

List of Others Present on File:

Committee Co-Chair Blackham called the meeting to order at 1:20 p.m.

1. Approval of Minutes

Motion: Pres. Mansell made a motion to approve the minutes of March 3, 2004. The motion passed unanimously with Sens. Davis, Dmitrich and Reps. Morgan and Alexander absent at the time of voting.

2. Federal Funds Report and Overview of House Bill 231

Spencer Pratt, Fiscal Analyst, said there are 221 federal grants being handled in the state and that the Federal Assistance Tracking Report is more comprehensive and accurate.

Mr. Pratt gave an overview of HB231 concerning approval and review of federal fund requests. He said that several state programs are exempt from HB 231.

Mr. Pratt reviewed the major provisions that relate prior to and during the annual General Session and also during the interim. Medium Impact Federal Funds Request and High Impact Federal Funds Request for federal grants were discussed.

The effective date of HB 231 is May 3, 2004.

A written copy of the overview was provided to the Members of the Committee.

Mr. Pratt responded to questions of the Committee.

John Massey, Fiscal Analyst, said that future reports will conform to HB 231.

3. Update on Purchase of Oxbow Facility

To alleviate overcrowding within correctional facilities for female inmates, the Legislature and Governor agreed to purchase Salt Lake County's Oxbow Jail for \$7 million during the 2004 General Session.

Kevin Walthers, Fiscal Analyst, said that Salt Lake County is not likely to sell the facility for \$7 million because they believe the price is too low. An additional \$4 million will be needed to upgrade the facility for use as a state facility for women.

Mr. Walthers reviewed other options. He said the former VOI/TIS dorm is empty with room for 300 inmates. If the Oxbow purchase does not materialize, the State holds the option to harden the VOI/TIS dorm (approximately \$1.3 million) as a temporary measure. He said use of the Oxbow facility means duplication of some items that would not add costs if the Draper site is used.

Mr. Walthers said potential for jail contracting at Oxbow is problematic because the Jail Contracting program is already fully committed and is in a separate line item from institutional operations.

Mr. Walthers said that if Salt Lake County wants to retain Oxbow for its own use then the state will have to look elsewhere for housing options. However, if the County simply wants the state to increase its offer for the facility then the best option may be for the Department of Corrections to begin planning on how to increase capacity for women on the Draper campus through a combination of hardening the VOI/TIS dormitory and preparing to construct new facilities in Gunnison.

Mr. Walthers responded to questions of the Committee.

Mike Chabries, Executive Director of the Department of Corrections, said that a high percentage of the female inmates are there on drug related issues and he wants to provide treatment for them.

The Committee requested that Mr. Chabries review alternative proposals at the Executive Appropriations Committee Meeting in May.

Co-Chair Bigelow said that a recommendation will be made to the Management Committee for consideration to have the appropriation subcommittee meet for the purpose that Mr. Chabries can present recommendations for treatment as well as facilities for housing.

4. Proposed New Budget Presentation Format

John Massey, Fiscal Analyst, said that in October 2003, the Legislative Process Committee requested the Legislative Management Committee to consider the concepts of "Legislating for Results" as reported by the Legislative Fiscal Analyst. The Management Committee agreed to this consideration. Over the last few years, the Legislative Fiscal Analyst has produced a number of reports relating to performance based budgeting.

Mr. Massey referred to Intent Language in SB 3, 1999 General Session recommending that all state agencies, including the judiciary, develop a performance based budgeting process to be initiated in the FY 2002 budget cycle. He said that the Intent Language has been met to a certain extent but the use and presentation of these measures have varied from one subcommittee to the other. He said that there has been significant improvement over the last few years but they would like to have a budget format that is more user friendly. He said they would like the format to help the legislators to ask better questions and to have better understanding of complex issues as they move into the legislative session.

Mr. Massey said they are not recommending a performance based budget but a format which allows legislators to understand what an agency is supposed to be doing and also ties into the statutory mission of that agency.

Jon Ball, Fiscal Analyst, said the proposed budget format would provide legislators a quick review before they go to a meeting and would clarify the budget for the media and the general public.

Mr. Ball said they proposed to do it with three tools which would include a Budget Analysis, Issue Brief, and a Compendium of Budget Information.

The Budget Analysis includes graphical data, accountability, line items, and the actual budget. The Issue Brief focuses on issues and items referenced in the actual recommendation.

Mr. Ball said the third and final tool of the proposed budget format is the Compendium of Budget Information. This would be used as a reference manual including statutory authority for the program, funding sources, accountability information, intent language, and funding detail.

Co-Chair Blackham said he feels that this proposed budget format will be a tremendous positive tool for the legislature in management ability and performance of goals.

There was discussion by the Committee and Rep. Bigelow encouraged simplifying the information at first taking a step at a time.

Mr. Massey requested input concerning the direction that the Committee wants to proceed. He said there is not a guarantee that it will be in place for the next General Session but they will do their best. He said there is a lot of work involved in this type of a format.

MOTION: Sen. Valentine made a motion to have the presentation of budgets move toward this format.

Sen. Valentine said this proposed budget format is much easier to follow with the summary at the beginning and moving to more detail the deeper you go.

The motion passed unanimously with Sens. Davis, Dmitrich and Rep. Curtis absent at the time voting.

5. Review of Potential and Required Interim Studies

Mr. Massey reviewed the 2004 Interim Studies and requested input from the Committee.

Mr. Massey referred to JR-3.02(13)(d)(I) (B) concerning an appropriation subcommittee to conduct an in-depth budget review of an agency. He said there has not been an agency identified and the

Analyst is open for suggestions.

Rep. Morgan suggested that Studies to Interim Appropriation Subcommittees through intent language under Public Education Page 3 Item 1 should include the Public Education Appropriation Subcommittee.

Mr. Massey reviewed other studies for consideration suggested by the Fiscal Analyst.

Rep. Jones asked about the Five Year Budget Projections. Mr. Massey indicated that with some stabilization in the economy this is a possibility.

Sen. Waddoups suggested that consideration be given to Item E on Page 2, Oil and Gas related Taxes and Fees.

Sen. Valentine referred to Studies to Interim Appropriation Subcommittees through intent language under Higher Education on Page 3 and requested that this go to the subcommittee then back to the Executive Appropriation Committee.

6. Appropriations Report

A copy of the 2004-2005 Appropriations Report was handed out to the Committee. Mr. Massey said the Report included a historical table which reflects the last 5-year period. He encouraged the Committee to review the report. A CD of the Appropriations Report was also given to the Committee.

7. Revenue Update if Available

Mr. Massey reported that the Revenue Update is the State Tax Commission TC 23 Report of last week. It reflects a revenue increase, based on their model, of about \$64 million. He said the biggest area of impact was the individual income tax which was up about 8.5 percent. He said with three months left in the year there are final pay and refunds to do. He reported that he was encouraged by the direction of the report.

Sen. Waddoups indicated that he had the Tax Commission put together a little primer on the TC 23 Report for the Republican Senate Caucus. He requested Mr. Massey and his staff to put together one that this Committee could use with recommendations of items for the Committee to analyze.

Motion: Co-Chair Blackham made a motion to adjourn the meeting. The motion passed unanimously.

The meeting was adjourned at 2:30 p.m.

Minutes reported by Linda Hansen, Secretary.

Handouts:

Federal Assistance Tracking
Executive Appropriations Committee - Review of House Bill 231- 2004 Session
Enrolled Copy HB 231
Memorandum - Fiscal Analyst
Revised Format for Budget Analyses & Presentation
Budget Analysis
Issue Brief
Compendium of Budget Information
2004 Interim Studies
Appropriations Report 2004-2005
Appropriations Report 2004-2005 on CD